

MEMO

TO: Members of House Appropriation Committee

FROM: President Jim Cargill, Dawson Community College
President Stefani Hicswa, Miles Community College
President Jane Karas, Flathead Valley Community College

DATE: March 5, 2007

RE: Community College Appropriation

CC: Alan Peura, Legislative Fiscal Analyst

We appreciate your continued support of the community colleges, and we want to work with you throughout this process. However, we are concerned by the appropriation that is being proposed for Montana's Community Colleges of \$8,254,210 for FY08 and \$8,390,361 for FY09. This funding is not sufficient to support the students at the community colleges.

The Legislature has funded the community colleges at 53% state share of the cost of education per FTE during prior years. However, as determined by the Interim Finance Committee, the cost of education factor used during prior biennium has not been the actual cost of education per FTE. The policy decision made during previous Legislative Sessions to fund 53% of the state share of education per resident FTE should not be negatively impacted because the actual cost of education has finally been calculated.

Therefore:

- To provide base level funding for the community colleges, the 2009 biennium appropriation should be 53% of the actual cost of education per FTE (as determined by the formula in SB 12).
- To enable the community colleges to cap tuition we need an additional 3% increase in state share from the 53%.
- The calculation should be based on funding formula (SB 12) developed and agreed to by the Legislative Fiscal Analyst's Office, the Governor's Office of Budget and Program Planning, the Office of the Commissioner of Higher Education and the three community colleges
- The calculation could be based on projected resident FTE for 2009 biennium (lower than OBPP total projection)
- The pay plan would be funded as presented by OBPP at 95% resident FTE and included in HB13
- Audit would be funded at 53% state share
- PL-4002 - Community Colleges - Base Funding - \$900,0000 for 2009 biennium is not a part of this proposal and would not be added if funding is sufficient to cap tuition

Please let us know if you need any additional information.